

**STATE OF LOUISIANA  
NATCHITOCHES LEVEE AND DRAINAGE DISTRICT**

**Financial Statements with Supplementary Information**

**As of and for the Year Ended June 30, 2015**

**(With Independent Auditors' Report Thereon)**

**STATE OF LOUISIANA  
NATCHITOCHIES LEVEE AND DRAINAGE DISTRICT**

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**Independent Auditors' Report**

Board of Commissioners  
State of Louisiana  
Natchitoches Levee and Drainage District  
Natchitoches, Louisiana

**Report on the Financial Statements**

We have audited the accompanying basic financial statements of the business type activities of the Natchitoches Levee and Drainage District, a component unit of the State of Louisiana, as of and for the year then ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Natchitoches Levee and Drainage District as of June 30, 2015, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6, budgetary comparison information on page 31, and the pension information presented on pages 32 through 34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the District's basic financial statements. The accompanying supplemental schedules and the Division of Administration reporting package listed in the table of contents are presented for purposes of additional analysis and not a required part of the basic financial statements.

The accompanying supplemental schedules and the Division of Administration reporting package listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 2015, on our consideration of the Natchitoches Levee and Drainage District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Griffin & Furman, LLC*

August 28, 2015

**STATE OF LOUISIANA  
NATCHITOCHES LEVEE AND DRAINAGE DISTRICT**

**Management's Discussion & Analysis**

**June 30, 2015**

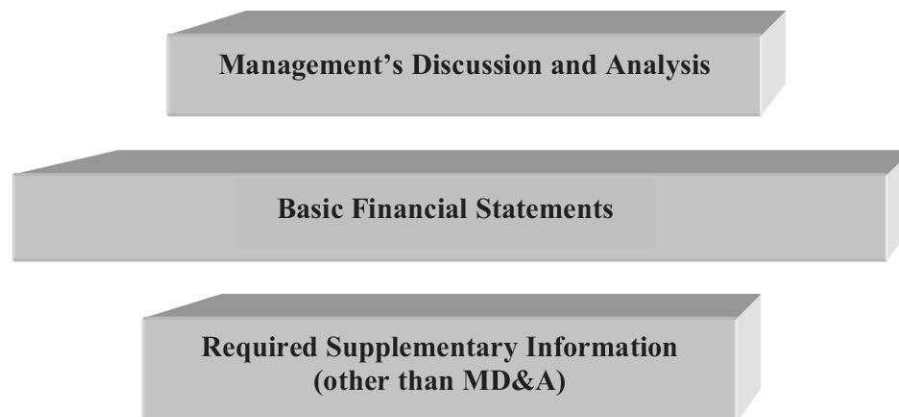
The Management's Discussion and Analysis of the Natchitoches Levee and Drainage District's (the "District") financial performance presents a narrative overview and analysis of the District's financial activities for the period from July 1, 2014 to June 30, 2015. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the additional information contained in the District's financial statements.

**Financial Highlights**

- The District's assets exceeded its liabilities at the close of fiscal year 2015 by \$2,634,490. Assets consist primarily of cash, certificates of deposit, and capital assets. Net position increased by \$258,684 or 10.89% compared to the prior fiscal year.
- The District's revenues totaled \$881,126 for the year ended June 30, 2015. These revenues are comprised primarily of taxes, state revenue sharing, a state appropriation, and interest income. Revenues increased \$50,230 or 6.05% compared to the prior fiscal year.
- The District's expenditures totaled \$622,442 for the year ended June 30, 2015. These expenditures are comprised primarily of personnel, operating, professional services, and supplies. Expenditures increased \$32,657 or 5.54% compared to the prior fiscal year.

**Overview of the Financial Statements**

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the Basic Financial Statements (including the notes to the financial statements), and Required Supplementary Information.

STATE OF LOUISIANA  
NATCHITOCHE LEVEE AND DRAINAGE DISTRICT

Management's Discussion & Analysis

June 30, 2015

*Basic Financial Statements*

The basic financial statements present information for the District's as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Assets and the Statement of Activities.

The Statement of Net Position presents the assets and liabilities separately. The difference between total assets and total liabilities is net position and may provide a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net position are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

Financial Analysis of the Entity

Statement of Net Position  
As of June 30, 2015

Current and other assets	\$ 1,965,098
Other assets	12,665
Capital assets, net	<u>1,123,577</u>
Total assets	<u>3,101,340</u>
 Deferred outflows related to pensions	 <u>48,846</u>
 Total assets & deferred outflows	 <u>\$ 3,150,186</u>
 Other current liabilities	48,924
Compensated absences payable	14,909
Other post-employment benefits payable	183,423
Net pension liability	<u>234,483</u>
Total liabilities	<u>481,739</u>
 Deferred inflows related to pensions	 <u>33,957</u>
 Net position:	
Invested in capital assets, net of debt	1,123,577
Unrestricted	<u>1,510,913</u>
Total Net Position	<u>2,634,490</u>
Total liabilities, deferred inflows, & net position	<u>\$ 3,150,186</u>

Unrestricted net position are those assets that do not have any limitations on how the amounts may be spent.

Net position of the District increased by \$258,684 or 10.89%, from June 30, 2014 to June 30, 2015. The increase was primarily related to the state appropriation received and an anticipated surplus to fund future capital projects.

**STATE OF LOUISIANA  
NATCHITOCHEs LEVEE AND DRAINAGE DISTRICT**

**Management's Discussion & Analysis**

**June 30, 2015**

**Statement of Activities  
For the Year Ended June 30, 2015**

Expenses	\$ 622,442
Program revenues	<u>-</u>
Operating loss	(622,442)
General revenues	<u>881,126</u>
Net increase net assets	<u><u>\$ 258,684</u></u>

The District's total revenues increased by \$50,230 or 6.05%. The total cost of all programs and services increased by \$32,657 or 5.54%.

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of 2015, the District had \$1,123,577 invested in capital assets which primarily consists of land and infrastructure, equipment and vehicles. This amount represents a net increase of \$4,143 or 0.37% over the last year.

***Debt***

The District has obligations for compensated absences of \$14,909. The obligations increased from \$12,627 for an increase of \$2,282 or 18.07%.

The District has obligations for other post employment retirement benefits of \$183,423. The obligations increased from \$182,889 for an increase of \$534 or 0.29%.

The District has obligations under pensions of \$234,483. This obligation was recorded as part of the current year implementation of the Governmental Accounting Standards Board Statement No. 68 – *Accounting and Financial Reporting for Pensions*. Accordingly, there was no similar obligation recorded for pensions in the prior year.

The District had no bonds and notes outstanding at June 30, 2015.

**Variations Between Actual and Budget Amounts**

Revenues were \$277,126 over budget and expenditures were \$20,029 over budget. This is primarily due to the budget not being adjusted for the District electing not to roll the tax millage back upon reassessment for the current year.

**STATE OF LOUISIANA  
NATCHITOCHEs LEVEE AND DRAINAGE DISTRICT**

**Management's Discussion & Analysis**

**June 30, 2015**

**Economic Factors and Next Year's Budget**

The District's officials considered the following factors and indicators when setting next year's budget:

- Ad valorem taxes
- Interest income
- Intergovernmental revenues (state and local grants)

The management of the District does not expect any significant changes in next year's results compared to the current year.

**Contacting the District's Management**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Karlton Methvin, President, Post Office Box 1036, Natchitoches, Louisiana 71458.



STATE OF LOUISIANA  
NATCHITOCHEs LEVEE AND DRAINAGE DISTRICT

Statement of Net Position

June 30, 2015

<u>Assets</u>	
Cash & cash equivalents	\$ 1,965,098
Other assets	12,665
Capital assets (net of depreciation)	<u>1,123,577</u>
Total assets	<u>3,101,340</u>
<u>Deferred Outflows of Resources</u>	
Changes in net pension liability not yet recognized in pension expense	<u>48,846</u>
<u>Liabilities</u>	
Accounts payable & accruals	48,924
Compensated absences payable	14,909
Other post employment benefits payable	183,423
Net pension liability	<u>234,483</u>
Total liabilities	<u>481,739</u>
<u>Deferred Inflows of Resources</u>	
Changes in net pension liability not yet recognized in pension expense	<u>33,957</u>
<u>Net Position</u>	
Invested in capital assets, net of related debt	1,123,577
Unrestricted	<u>1,510,913</u>
Total net position	\$ <u><u>2,634,490</u></u>

See accompanying notes to the financial statements.

STATE OF LOUISIANA  
NATCHITOCHE LEVEE AND DRAINAGE DISTRICT

Statement of Activities

For the Year Ended June 30, 2015

		<u>Program Revenues</u>			<u>Net (Expense) Revenue &amp; Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants &amp; Contributions</u>	<u>Capital Grants &amp; Contributions</u>	
<u>Functions/Programs</u>	<u>Expenses</u>				
<b>Governmental Activities:</b>					
Personal services	\$ 264,590	-	-	-	(264,590)
Travel	10,442	-	-	-	(10,442)
Operating services	195,391	-	-	-	(195,391)
Supplies	56,754	-	-	-	(56,754)
Professional services	47,725	-	-	-	(47,725)
Interest expense	1,302	-	-	-	(1,302)
Depreciation	46,238	-	-	-	(46,238)
<b>Total General Government</b>	<b>\$ 622,442</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(622,442)</b>
<b>General Revenues:</b>					
State appropriations					47,953
Taxes					781,226
State revenue sharing					39,797
Interest income					7,238
Miscellaneous					4,912
<b>Total general revenues</b>					<b>881,126</b>
<b>Change in net position</b>					<b>258,684</b>
<b>Net position - beginning</b>					<b>2,595,660</b>
<b>Prior period adjustment - to record net pension liability and deferred outflows related to pensions</b>					<b>(219,854)</b>
<b>Net position - beginning, as restated</b>					<b>2,375,806</b>
<b>Net position - ending</b>				<b>\$</b>	<b>2,634,490</b>

See accompanying notes to the financial statements.

**STATE OF LOUISIANA  
NATCHITOCHES LEVEE AND DRAINAGE DISTRICT**

**Governmental Funds**

**Balance Sheet**

**June 30, 2015**

**Assets**

**Current Assets:**

Cash & cash equivalents	\$ 1,965,098
Other assets	<u>12,665</u>

Total assets	\$ <u><u>1,977,763</u></u>
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**Liabilities & Fund Balance**

**Current Liabilities:**

Accounts payable & accrued expenses	\$ <u>48,924</u>
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Total current liabilities	<u>48,924</u>
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**Fund Balance:**

Nonspendable (not in spendable form)	12,665
Unassigned	<u>1,916,174</u>

Total fund balance	<u>1,928,839</u>
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Total liabilities & fund balance	\$ <u><u>1,977,763</u></u>
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**STATE OF LOUISIANA  
NATCHITOCHE LEVEE AND DRAINAGE DISTRICT**

**Reconciliation of the Balance Sheet - Governmental Funds  
to the Statement of Net Position**

**June 30, 2015**

<b>Total Governmental Fund Balances</b>	<b>\$ <u>1,928,839</u></b>
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**Total Net Position reported for governmental activities in the statement of net position is different because:**

**Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:**

<b>Building and building improvements, net of accumulated depreciation of \$12,290</b>	<b>-</b>
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<b>Land improvements, net of accumulated depreciation of \$86,528</b>	<b>1,017,645</b>
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<b>Automobiles and equipment, net of accumulated depreciation of \$405,518</b>	<b><u>105,932</u></b>
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<b>Total capital assets</b>	<b><u>1,123,577</u></b>
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<b>Deferred outflows of assets related to the net pension liability are not financial resources and therefore are not reported in the funds</b>	<b><u>48,846</u></b>
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<b>Deferred inflows of assets related to the net pension liability are not due and payable in the current period and therefore are not reported in the fund liabilities</b>	<b><u>(33,957)</u></b>
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**Long-term liabilities, including compensated absences payable, OPEB payable, and capital lease obligations are not due and payable in the current period and therefore are not reported in the fund liabilities:**

<b>Compensated absences payable</b>	<b>(14,909)</b>
<b>Other post employment benefits payable</b>	<b>(183,423)</b>
<b>Net pension liability</b>	<b><u>(234,483)</u></b>

<b>Total long-term liabilities</b>	<b><u>(432,815)</u></b>
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<b>Total Net Position of Governmental Activities</b>	<b>\$ <u><u>2,634,490</u></u></b>
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See accompanying notes to the financial statements.

**STATE OF LOUISIANA  
NATCHITOCHE LEVEE AND DRAINAGE DISTRICT**

**Governmental Funds**

**Statement of Revenues, Expenditures, and Changes in Fund Balance**

**For the Year Ended June 30, 2015**

<b>Revenues:</b>	
<b>Taxes</b>	\$ 781,226
<b>Intergovernmental</b>	
State appropriations	47,953
State revenue sharing	39,797
Interest income	7,238
Miscellaneous	<u>4,912</u>
<b>Total revenues</b>	<u>881,126</u>
 <b>Expenditures:</b>	
<b>General government</b>	
Personal services	262,034
Travel	10,442
Operating services	195,391
Supplies	56,754
Professional services	47,725
Interest	1,302
<b>Capital Outlay</b>	
Equipment and vehicles	<u>50,381</u>
<b>Total expenditures</b>	<u>624,029</u>
 <b>Excess of revenues over expenditures</b>	<u>257,097</u>
 <b>Other Financing Sources (Uses):</b>	
Payments of capital lease obligation	<u>(29,692)</u>
<b>Total other financing sources (uses)</b>	<u>(29,692)</u>
 <b>Net change in fund balance</b>	227,405
 <b>Fund balance, beginning of year</b>	<u>1,701,434</u>
 <b>Fund balance, end of year</b>	\$ <u><u>1,928,839</u></u>

See accompanying notes to the financial statements.

**STATE OF LOUISIANA  
NATCHITOCHE LEVEE AND DRAINAGE DISTRICT**

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental  
Funds to the Statement of Activities**

**For the Year Ended June 30, 2015**

<b>Net Change in Fund Balances - total governmental funds</b>	<b>\$ <u>227,405</u></b>
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**The change in net assets reported for governmental activities in the statement of activities is different because:**

**Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:**

<b>Capital asset additions</b>	<b>50,381</b>
<b>Depreciation expense</b>	<b><u>(46,238)</u></b>
	<b><u>4,143</u></b>

**Governmental funds report debt payments as expenditures. However, these amounts are not in the statement of activities but decrease liabilities in the statement of net assets. These amounts relate to capital lease obligations of the District.**

	<b>29,692</b>
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**In the Statement of Activities compensated absences and other post employee benefits are accrued, whereas in the governmental funds, these expenditures are reported when due.**

	<b><u>(2,816)</u></b>
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**Governmental funds report amounts paid to the pension plan as expenditures. However, in the statement of activities, amounts paid to the pension plan reduce the net pension liability and increase / decrease deferred inflows and outflows related to the net pension liability:**

<b>Pension expense</b>	<b>(18,221)</b>
<b>Adjustments to deferred inflows &amp; outflows</b>	<b><u>18,481</u></b>

<b>Change in Net Position of Governmental Activities</b>	<b>\$ <u><u>258,684</u></u></b>
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STATE OF LOUISIANA  
NATCHITOCHES LEVEE AND DRAINAGE DISTRICT

Notes to Financial Statements

June 30, 2015

(1) Summary of Significant Accounting Policies

(a) Introduction

The Natchitoches Levee and Drainage District and its Board of Commissioners were created by the Louisiana State Legislature under the provisions of the Louisiana Revised Statute 38:291(H). The Levee District includes most of Natchitoches Parish. The Levee District primarily provides flood protection for those areas contained in the District. The Board of Commissioners administers the operations and responsibilities of the Levee District in accordance with the provisions of Louisiana Statute. The eight members of the Board of Commissioners, which governs the District, are appointed by the governor of the State of Louisiana.

(b) Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. For the most part, interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expense of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

(c) Measurement Focus, Basis of Accounting, and Financial Basis Presentation

The government-wide financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the district considers revenues to be available only if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt services expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, royalties, and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

**STATE OF LOUISIANA  
NATCHITOCHE LEVEE AND DRAINAGE DISTRICT**

**Notes to Financial Statements**

**June 30, 2015**

Funds are used by the District to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. The District has a General Fund only which is classified as a governmental fund type. The District has no proprietary or other fund types.

Governmental funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the District.

GASB Codification Section 2100 establishes criteria for determining the governmental reporting entity and its component units. Component units are defined as legally separate organizations for which the elected officials of a primary government are financially accountable. The criteria used in determining whether financial accountability exists include the appointment of a voting majority of an organization's governing board, the ability of the primary government to impose its will on that organization or whether there is a potential for the organization to provide specific financial benefits or burdens to the primary government. Fiscal dependency may also play a part in determining financial accountability. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

In addition, it has been determined that the District is a component unit of the State of Louisiana for financial reporting purposes. Annually, the State of Louisiana (the primary government) issues general-purpose financial statements, which include the activity contained in the accompanying financial statements.

**(d) Assets, Liabilities, and Net Position**

***Deposits with Financial Institutions***

For reporting purposes, cash and cash equivalents includes amounts in savings, demand deposits, time deposits, and certificates of deposit. Under state law, the District may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the District may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the State of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows, all highly liquid investments (including negotiable CDs and restricted cash and cash equivalents) and deposits (including negotiable CDs and restricted cash and cash equivalents) with a maturity of three months or less when purchased are considered to be cash equivalents.



STATE OF LOUISIANA  
NATCHITOCHE LEVEE AND DRAINAGE DISTRICT

Notes to Financial Statements

June 30, 2015

*Receivables and Bad Debts*

All receivables are reported at their gross value and, when appropriate, are reduced by the estimated portion that is expected to be uncollectible. Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available that would indicate the uncollectibility of the particular receivable.

*Capital Assets*

Capital assets, which include property, plant, and equipment, are included on the Statement of Net Assets and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Accumulated depreciation is reported on the Statement of Net Assets. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred.

No salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated for financial reporting purposes using the straight-line method over the following useful lives of the asset:

<u>Description</u>	<u>Years</u>
Buildings and building improvements	10
Vehicles	5
Equipment	10
Land Improvements	40

*Inventories*

Inventories of the District are recorded at cost and recognized as expenditures when purchased.

*Compensated Absences*

The District has the following policy on annual and sick leave:

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as current year expenditure in the fund when leave is actually taken. The government-wide financial statements present the cost of accumulated sick leave as a liability. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay this amount when employees separate from service.

STATE OF LOUISIANA  
NATCHITOCHE LEVEE AND DRAINAGE DISTRICT

Notes to Financial Statements

June 30, 2015

*Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Fund Equity*

Beginning with fiscal year 2011, the District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- **Nonspendable fund balance**—amounts that are not in nonspendable form (such as inventory) or are required to be maintained intact.
- **Restricted fund balance**—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- **Committed fund balance**—amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level action to remove or change the constraint.
- **Assigned fund balance**—amounts the District intends to use for a specific purpose. Intent is expressed by the Board of Directors.
- **Unassigned fund balance**—amounts that are available for any purpose. Positive amounts are reported only in the general fund.

Beginning fund balances for the District's governmental funds have been restated to reflect the above classifications.

The Board of Directors establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board of Directors through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

(e) Pensions

For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Louisiana State Employees' Retirement System (LASERS) and additions to/deductions from LASERS' fiduciary net position have been determined on

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the same basis as they are reported by LASERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**General Information about the Pension Plan**

***Plan Description***

Employees of the Natchitoches Levee & Drainage District are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the Louisiana State Employees' Retirement System (LASERS). Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) grants to LASERS Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. LASERS issues a publicly available financial report that can be obtained at [www.lasersonline.org](http://www.lasersonline.org).

***Benefits Provided***

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

**(2) Stewardship, Compliance, and Accountability**

Formal budgetary accounting is employed as a management control. The District prepares and adopts a budget prior to July 1 of each year for its general fund in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the full accrual basis of accounting, with the exception that the gain or loss resulting from adjusting the carrying value of investments to fair market value is not included in the budget as a revenue or expense. The District amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted amounts by five percent or more. All budget appropriations lapse at year-end.

**(3) Deposits With Financial Institutions**

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. As of June 30, 2015, the District had no deposits that were uninsured and uncollateralized.

The deposits at June 30, 2015 consist of the following:

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Total</u>
Book balance of bank accounts	\$ <u>1,965,098</u>	<u>-</u>	<u>1,965,098</u>
Deposits in bank accounts per bank	\$ <u>1,991,042</u>	<u>-</u>	<u>1,991,042</u>

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The following is a breakdown by banking institution and amount of the “Deposits in bank accounts per bank” balances shown above:

<u>Banking Institution</u>	<u>Amount</u>
MidSouth Bank	\$ <u>1,991,042</u>
Total	\$ <u>1,991,042</u>

**(4) Capital Assets**

The following is a summary of changes in the general fixed assets account group during the period from July 1, 2014 to June 30, 2015:

	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2015</u>
<b>Capital Assets, not being depreciated:</b>				
Land	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Capital Assets, being depreciated:</b>				
Automobiles & equipment	499,060	-	-	499,060
Less accum. depreciation	<u>(374,074)</u>	<u>(19,054)</u>	<u>-</u>	<u>(393,128)</u>
Total automobiles & equipment	<u>124,986</u>	<u>(19,054)</u>	<u>-</u>	<u>105,932</u>
Buildings & improvements	12,290	-	-	12,290
Less accum. depreciation	<u>(12,290)</u>	<u>-</u>	<u>-</u>	<u>(12,290)</u>
Total buildings & improvements, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Land improvements	1,053,792	50,381	-	1,053,792
Less accum. depreciation	<u>(59,344)</u>	<u>(27,184)</u>	<u>-</u>	<u>(86,528)</u>
Total land & improvements, net	<u>994,448</u>	<u>23,197</u>	<u>-</u>	<u>1,017,645</u>
Infrastructure	-	-	-	-
Less accum. depreciation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total infrastructure, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Capital Assets being depreciated, Net</b>	<u>1,119,434</u>	<u>4,143</u>	<u>-</u>	<u>1,123,577</u>
<b>Total Governmental Activities Capital Assets, Net</b>	<u>\$ 1,119,434</u>	<u>4,143</u>	<u>-</u>	<u>1,123,577</u>

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(5) Accounts Payable and Accruals

Payables at June 30, 2015 were as follows:

	<u>Vendors</u>	<u>Salaries &amp; Benefits</u>	<u>Other Payables</u>	<u>Total Payables</u>
General Fund	\$ <u>42,334</u>	<u>6,590</u>	<u>-</u>	<u>48,924</u>

(6) Compensated Absences

At June 30, 2015, employees of the District had accumulated \$14,909, in annual leave benefits, which were computed in accordance with GASB Codification Section C 60. The following is a summary of the changes in accumulated leave benefits for the year ended June 30, 2015:

Compensated absences payable, beginning of year	\$ 12,627
Additions	10,487
Reductions	<u>(8,205)</u>
Compensated absences payable, end of year	\$ <u>14,909</u>

(7) Retirement System

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. The majority of LASERS rank and file members may either retire with full benefits at any age upon completing 30 years of creditable service or at age 60 upon completing five to ten years of creditable service depending on their plan. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service.

Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement benefits under any one of six different options providing for reduced retirement benefits payable throughout their life, with certain benefits being paid to their designated beneficiary after their death.

Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with twelve years of

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creditable service at age 55, 25 years of creditable service at any age or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification but generally is ten years of service.

*Deferred Retirement Benefits*

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. For members who selected the IBO option prior to January 1, 2004, such amount may be withdrawn or remain in the IBO account earning interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero). Those members who select the IBO on or after January 1, 2004, are required to enter the SDP as described above.

*Disability Benefits*

All members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age.

Upon reaching age 60, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees.

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For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation.

*Survivor's Benefits*

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased member who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

*Permanent Benefit Increases/Cost-of-Living Adjustments*

As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs), that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

*Contributions*

Contribution requirements of active employees are governed by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) and may be amended by the Louisiana Legislature. Employee and employer contributions are deducted from a member's salary and remitted to LASERS by participating employers. The rates in effect during the year ended June 30, 2015 for the various plans follow:

<u>Plan</u>	<u>Plan Status</u>	<u>Employee Contribution Rate</u>	<u>Employer Contribution Rate</u>
<b>Regular Employees &amp; Appellate Law Clerks</b>			
Pre Act 75 (hired before 7/1/2006)	Closed	7.5%	37%
Post Act 75 (hired after 6/30/2006)	Open	8.0%	37%
<b>Optional Retirement Plan (ORP)</b>			
Pre Act 75 (hired before 7/1/2006)	Closed	7.5%	37%
Post Act 75 (hired after 6/30/2006)	Closed	8.0%	37%
Legislators	Closed	11.5%	41.2%
Special Legislative Employees	Closed	9.5%	41.2%
Judges hired before 1/1/2011	Closed	11.5%	41.5%
Judges hired after 12/31/2010	Open	13.0%	36.2%
Corrections Primary	Closed	9.0%	39.9%
Corrections Secondary	Closed	9.0%	40.8%
Wildlife Agents	Closed	9.5%	46.9%
Peace Officers	Closed	9.0%	41.5%
Alcohol Tobacco Control	Closed	9.0%	44.8%
Bridge Police	Closed	8.5%	35.3%
Hazardous Duty	Open	9.5%	35.6%

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The District's contractually required composite contribution rate for the year ended June 30, 2015 was 37.00% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the District were \$28,449 for the year ended June 30, 2015.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At June 30, 2015, the District reported a liability of \$234,483 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2014 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The District's proportion of the Net Pension Liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2014, the District's proportion was 0.00375%, which was an increase of 0.00042% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$18,221 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$8,405.

At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and Actual experience	\$ -	(4,178)
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	(29,664)
Changes in proportion and differences Between Employer contributions and Proportionate share of contributions	20,397	(115)
Employer contributions subsequent to Measurement date	<u>28,449</u>	<u>-</u>
	<u>\$ 48,846</u>	<u>(33,957)</u>



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Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended:**

<b>June 30, 2016</b>	<b>\$ 579</b>
<b>June 30, 2017</b>	<b>\$ 579</b>
<b>June 30, 2018</b>	<b>\$ (7,416)</b>
<b>June 30, 2019</b>	<b>\$ (7,416)</b>

***Actuarial Assumptions***

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2014, and 2013 are as follows:

<b>Valuation Date</b>	<b>June 30, 2014 and 2013</b>
<b>Actuarial Cost Method</b>	<b>Entry Age Normal</b>
<b>Actuarial Assumptions:</b>	
<b>Expected Remaining Service Lives</b>	<b>3 years.</b>
<b>Investment Rate of Return</b>	<b>7.75% per annum.</b>
<b>Inflation Rate</b>	<b>3.0% per annum.</b>
<b>Mortality</b>	<p><b>Non-disabled members - Mortality rates based on the RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015.</b></p> <p><b>Disabled members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.</b></p>
<b>Termination, Disability, and Retirement</b>	<b>Termination, disability, and retirement assumptions were projected based on a five-year (2009-2013) experience study of the System's members.</b>
<b>Salary Increases</b>	<b>Salary increases were projected based on a 2009-2013 experience study of the System's members. The salary increase ranges for specific types of members are:</b>

<b><u>Member Type</u></b>	<b><u>Lower Range</u></b>	<b><u>Upper Range</u></b>
<b>Regular</b>	<b>4.0%</b>	<b>13.0%</b>
<b>Judges</b>	<b>3.0%</b>	<b>5.5%</b>
<b>Corrections</b>	<b>3.6%</b>	<b>14.5%</b>
<b>Hazardous Duty</b>	<b>3.6%</b>	<b>14.5%</b>
<b>Wildlife</b>	<b>3.6%</b>	<b>14.5%</b>

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**Cost of Living Adjustments**

The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The target allocation and best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2014 are summarized in the following table

<u>Asset Class</u>	<u>Target Allocation</u> <sup>1</sup>	<u>Long-term Expected Real Rate of Return</u> <sup>1</sup>
Cash	0%	0.50%
Domestic equity	27%	4.69%
International equity	30%	5.83%
Domestic Fixed Income	11%	2.34%
International Fixed Income	2%	4.00%
Alternative Investments	23%	8.09%
Global Asset Allocation	<u>7%</u>	<u>3.42%</u>
	<u>100%</u>	<u>5.78%</u>

<sup>1</sup> For reference only: *Target Allocation presented in LASERS 2014 CAFR, page 46, and Long-Term Expected Real Rate of Return, page 28.*

**Discount Rate**

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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*Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*

The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 7.75%, as well as what the Employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.75%) or one percentage-point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Employer's proportionate share of the net pension liability	\$ <u>300,744</u>	<u>234,483</u>	<u>178,318</u>

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's fiduciary net position is available in the separately issued LASERS 2014 Comprehensive Annual Financial Report at [www.lasersonline.org](http://www.lasersonline.org).

**(8) Post Retirement Health Care and Life Insurance Benefits**

**Plan Description.** The District's employees may participate in the State of Louisiana's Other Post-Employment Benefit Plan (OPEB Plan) which is administered by the Office of Group Benefits (OGB). The State OGB Plan provides medical and life insurance benefits to eligible active employees, retirees, and their beneficiaries. The postemployment benefits plan is a cost-sharing, multiple-employer plan for financial reporting purposes since the plan is not administered as a formal trust. R.S. 42:801-883 provides the authority to establish and amend benefit provisions of the plan. OGB does not issue a publicly available financial report of the State OPEB Plan; however, it is included in the State of Louisiana's Comprehensive Annual Financial Report (CAFR). You may obtain a copy of the CAFR on the Office of Statewide Reporting and Accounting Policy's website at [www.doa.la.gov/osrap](http://www.doa.la.gov/osrap).

**Funding Policy.** The contribution requirements of plan members and the District are established and may be amended by R.S. 42:801-883. The plan is currently financed on a pay-as-you-go basis. Employees do not contribute to their postemployment benefits cost until they become retirees and begin receiving those benefits. The retirees contribute to the cost of retiree healthcare based on a service schedule.

Contribution amounts vary depending on what healthcare provider is selected from the plan and if the member has Medicare coverage. The Office of Group Benefits offers six standard plans for both active and retired employees: the Preferred Provider Organization (PPO) Plan, two Health Maintenance Organization (HMO) plans, two Consumer Directed Health Plans with Health Savings Accounts (CDHP), and the Medical Home HMO Plan (MHHMO). Retired employees who have Medicare Part A and Part B coverage also have access to Medicare Advantage plans which are offered on a calendar year basis. During 2014 and 2015 there were two HMO plans offered by different companies.

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Depending upon the plan selected and level of coverage, during the year ended June 30, 2015, total monthly premiums for a retiree members receiving benefits range from \$238 to \$1,769 per month for coverage with Medicare, from \$733 to \$1,942 per month for coverage without Medicare, and from \$151 to \$502 for retirees who select a Medicare Advantage plan. Employer contributions for retirees are based on plan premiums and the employer contribution percentage. This percentage is based on the original date of participation in an OGB plan (before or after January 1, 2002) and employee years of participation in the State OGB Plan before retirement. Employees who began participation before January 1, 2002, pay approximately 25% of the cost of medical coverage (except single retirees under age 65 who pay approximately 25% of the active employee cost). For those beginning participation on or after January 1, 2002, the percentage of premiums contributed is based on the following schedule:

<u>OGB Participation</u>	<u>Employer Contribution Percentage</u>	<u>Employee Contribution Percentage</u>
Under 10 years	19%	81%
10-14 years	38%	62%
15-19 years	56%	44%
20+ years	75%	25%

OGB also provides eligible retirees Basic Term Life, Basic Plus Supplemental Term Life, Dependent Term Life and Employee Accidental Death and Dismemberment coverage, which is underwritten by The Prudential Insurance Company of America. The total monthly premium, of which the employer pays one-half of the premiums, is approximately \$1.08 and \$0.98 per thousand dollars of coverage for the retiree and spouse, respectively. Maximum coverage is capped at \$50,000 with a reduction formula of 25% at age 65 and 50% at age 70, with accidental death and dismemberment coverage ceasing at age 70 for retirees.

*Annual OPEB Cost.* The District's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. A level percentage of payroll amortization method, open period, was used. The total ARC for the fiscal year beginning July 1, 2014 is \$59,100.

The following table shows the components of the District's net OPEB obligation:

	<u>6/30/15</u>	<u>6/30/14</u>	<u>6/30/13</u>
Annual required contribution	\$ 29,000	33,500	38,100
Interest on Net OPEB Obligation	7,300	7,100	6,600
Adjustment to Annual Required Contribution	<u>(6,990)</u>	<u>(6,700)</u>	<u>(6,300)</u>
Annual OPEB cost (expense)	29,310	33,900	38,400
Contributions made (retiree cost)	(28,776)	(27,584)	(27,381)
Net OPEB obligation – beginning of year	<u>182,889</u>	<u>176,573</u>	<u>165,554</u>
Net OPEB obligation – end of year	\$ <u>183,423</u>	<u>182,889</u>	<u>165,554</u>
% of Annual OPEB Cost Contributed	98.2%	81.4%	71.3%

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***Funded Status and Funding Progress.*** As of June 30, 2015, the District did not have an OPEB trust. A trust was established with an effective date of July 1, 2009, but was not funded at all, has no assets, and hence has a funded ratio of zero. Since the plan was not funded, the entire actuarial accrued liability of \$340,800 was unfunded.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presented below as required supplementary information is intended to provide multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Required Supplementary Information  
Schedule of Funding Progress**

Actuarial valuation date		7/1/2014	7/1/2013	7/1/2012
Actuarial value of assets	a	-	-	-
Actuarial accrued liability (AAL)	b	\$ 340,800	603,700	591,600
Unfunded AAL (UAAL)	b-a	\$ 340,800	603,700	591,600
Funded ratio	a/b	0%	0%	0%
Covered payroll	c	\$ 95,800	95,831	95,800
UAAL as a % of covered payroll	b-a/c	356%	630%	618%

For the three valuation periods above, the unfunded actuarial accrued liability is being amortized as a level percentage of payroll over an open amortization period of thirty years.

***Actuarial Methods and Assumptions.*** Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

In the July 1, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses) and initial annual healthcare cost trend rate of 8% (7% post Medicare), scaling down to ultimate rates of 4.5% per year. The Natchitoches Levee and Drainage District's unfunded actuarial accrued liability is being amortized as a level percentage of payroll over an open amortization period of thirty years.

**STATE OF LOUISIANA  
NATCHITOCHES LEVEE AND DRAINAGE DISTRICT**

**Notes to Financial Statements**

**June 30, 2015**

**(9) Leases**

The District leases certain equipment under the provisions of a lease classified as an operating lease for accounting purposes. Total rent expense under the terms of this lease amounted to \$1,184 for the year ending June 30, 2015. Future minimum lease commitments under this lease are as follows:

<u>Years Ending</u>	<u>Amount</u>
2016	\$ 14,214
2017	14,214
2018	<u>13,029</u>
Total	<u>\$ 41,457</u>

**(10) Long-Term Liabilities**

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2015:

	Balance June 30, <u>2014</u>	<u>Additions</u>	<u>Reductions</u>	Balance June 30, <u>2015</u>	Amounts Due Within <u>One Year</u>
Compensated absences	\$ 12,627	10,487	(8,205)	14,909	-
Capital lease obligation	29,692	-	(29,692)	-	-
OPEB payable	182,889	29,310	(28,775)	183,423	-
Net pension liability	<u>242,578</u>	<u>18,221</u>	<u>(26,316)</u>	<u>234,483</u>	<u>-</u>
Total long-term liabilities	<u>\$ 467,786</u>	<u>58,018</u>	<u>(92,989)</u>	<u>432,815</u>	<u>-</u>

**(11) Levee District Taxes**

Article 6, Section 30 of the 1974 Louisiana Constitutions provides that the District may levy an annual tax not to exceed 5.0 mills to construct and maintain levees, levee drainage, flood protection, hurricane flood protection, and all other purposes incidental thereto. For the 2014 taxes levied on the assessed value of property within the District, the adjusted mileage rate was set at 4.22 mills.

**(12) Risk Management**

The Natchitoches Levee and Drainage District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage to protect against each of these risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District.

**(13) Contingent Liabilities**

There was no outstanding litigation against the Natchitoches Levee and Drainage District at June 30, 2015.

**STATE OF LOUISIANA  
NATCHITOCHES LEVEE AND DRAINAGE DISTRICT**

**Notes to Financial Statements**

**June 30, 2015**

**(14) Related Party Transactions**

The Natchitoches Levee and Drainage District had no related party transactions in the year ended June 30, 2015.

**(15) Prior Period Adjustment**

During the current year, the District recorded a prior period adjustment while implementing Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*. This adjustment increased the net pension liability by \$242,578, deferred outflows related to pensions by \$22,724, and decreased net position by \$219,854.

**(16) Evaluation of Subsequent Events**

The District has evaluated subsequent events through August 28, 2015, the date which the financial statements were available to be issued.

**STATE OF LOUISIANA  
NATCHITOCHEs LEVEE AND DRAINAGE DISTRICT**

**Statement of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual (Budgetary Basis) - General Fund**

For the Year Ended June 30, 2015

	<b>Budget Amounts Original/ Final</b>	<b>Actual (Budgetary Basis)</b>	<b>Variance With Final Budget Favorable (Unfavorable)</b>
<b>Revenues:</b>			
Taxes	\$ 598,000	781,226	183,226
Intergovernmental	-	87,750	87,750
Interest income	6,000	7,238	1,238
Total revenues	<u>604,000</u>	<u>881,126</u>	<u>277,126</u>
<b>Expenditures:</b>			
General government			
Personal services	220,000	262,034	(42,034)
Travel	20,000	10,442	9,558
Operating services	175,000	195,391	(20,391)
Supplies	45,000	56,754	(11,754)
Professional services	40,000	47,725	(7,725)
Interest	-	1,302	(1,302)
Capital outlay	<u>104,000</u>	<u>50,381</u>	<u>53,619</u>
Total expenditures	<u>604,000</u>	<u>624,029</u>	<u>(20,029)</u>
<b>Net change in fund balance</b>	-	227,405	227,405
<b>Fund balance, beginning</b>	<u>1,701,434</u>	<u>1,701,434</u>	<u>-</u>
<b>Fund balance, ending</b>	<u>\$ 1,701,434</u>	<u>1,928,839</u>	<u>227,405</u>

See independent auditors' report.



**STATE OF LOUISIANA  
NATCHITOCHEs LEVEE AND DRAINAGE DISTRICT**

**Schedule of Employer's Share of Net Pension Liability**

**For the Year Ended June 30, 2015\***

	<u>2015</u>
Employer's proportion of net pension liability	0.00375%
Employer's proportionate share of net pension liability	234,483
Employer's covered-employee payroll	22,724
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	1032%
Plan fiduciary net position as a percentage of the total pension liability	65%

*Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

**\* The amounts presented have a measurement date of the previous fiscal year end.**

**STATE OF LOUISIANA  
NATCHITOCHEs LEVEE AND DRAINAGE DISTRICT**

**Schedule of Employer's Contributions**

**For the Year Ended June 30, 2015**

<u>Date</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
2015	6,151	6,151	-	76,889	8.00%

*Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

**STATE OF LOUISIANA  
NATCHITOCHEs LEVEE AND DRAINAGE DISTRICT**

**Notes to Required Supplementary Information**

**For the Year Ended June 30, 2015**

*Changes in Benefit Terms* include:

1. A 1.5% COLA, effective July 1, 2014, provided by Act 102 of the Louisiana Regular Legislative Session.
2. Improved benefits for certain members employed by the Office of Adult Probation and Parole within the Department of Public Safety and Corrections as established by Act 852 of 2014.

*Changes in Assumptions:*

There were no changes in assumptions for the year ended June 30, 2015.

**STATE OF LOUISIANA  
NATCHITOCHEs LEVEE AND DRAINAGE DISTRICT**

**Schedule of Commissioners' Per Diem**

**For the Year Ended June 30, 2015**

<u>Name</u>	<u>Amount</u>
Adolph Sklar, Jr.	\$ 225
Billy Giddens	750
Charles Brazzel, Jr.	675
Doris Roge	825
Janet Jones	900
Karlton Methvin, President	12,000
Mark Swafford	750
Ronald Corkern	900
Rayburn Smith	<u>825</u>
	\$ <u><u>17,850</u></u>

NATCHITOCHES LEVEE & DRAINAGE DISTRICT  
STATE OF LOUISIANA  
Annual Financial Statements  
June 30, 2015

C O N T E N T S

Affidavits

	Statements
Statement of Net Position	A
Statement of Revenues, Expenses, and Changes in Net Position	B
Statement of Activities (including Instructions for Simplified Statement of Activities)	C
Statement of Cash Flows	D
Notes to the Financial Statements	

Notes	Note Name	Page No.
A.	<b>Not Used</b>	
B.	<b>Not Used</b>	
C.	Deposits with Financial Institutions and Investments (See Appendices Packet - Appendix A at <a href="http://www.doa.louisiana.gov/OSRAP/afrpackets.htm">http://www.doa.louisiana.gov/OSRAP/afrpackets.htm</a> )	
D.	Capital Assets – Including Capital Lease Assets	
E.	Inventories	
F.	Restricted Assets	
G.	<b>Not Used</b>	
H.	<b>Not Used</b>	
I.	Other Postemployment Benefits	
J.	Leases	
K.	Long-Term Liabilities	
L.	Contingent Liabilities	
M.	Related Party Transactions	
N.	Accounting Changes	
O.	In-Kind Contributions	
P.	Defeased Issues	
Q.	Revenues or Receivables – Pledged or Sold (GASB 48) (See Appendices Packet - Appendix E at <a href="http://www.doa.louisiana.gov/OSRAP/afrpackets.htm">http://www.doa.louisiana.gov/OSRAP/afrpackets.htm</a> )	
<b>R.</b>	<b>Government Combinations and Disposal of Government Operations</b>	
S.	Violations of Finance-Related Legal or Contractual Provisions	
T.	Short-Term Debt	
U.	Disaggregation of Receivable Balances	
V.	Disaggregation of Payable Balances	

- W. Subsequent Events
- X. Segment Information
- Y. Due to/Due from and Transfers
- Z. Pension Liability**
- AA. Prior-Year Restatement of Net Position
- BB. Assets Restricted by Enabling Legislation  
(See Appendices Packet - Appendix C at <http://www.doa.louisiana.gov/OSRAP/afrpackets.htm>)
- CC. Impairment of Capital Assets  
(See Appendices Packet - Appendix B at <http://www.doa.louisiana.gov/OSRAP/afrpackets.htm>)
- DD. Employee Termination Benefits
- EE. Pollution Remediation Obligations
- FF. **Not Used**
- GG. Restricted Assets – Other Purposes
- HH. Service Concession Arrangements
- II. Nonexchange Financial Guarantees

#### Schedules

- 1 Schedule of Per Diem Paid to Board Members
- 2 Not Applicable
- 3 Schedules of Long-Term Debt
- 4 Schedules of Long-Term Debt Amortization
- 15 Schedule of Comparison Figures and Instructions
- 16 Schedule of Cooperative Endeavors (see Appendices Packet - Appendix F at <http://www.doa.louisiana.gov/OSRAP/afrpackets.htm>)

**The Appendices Packet is located as a separate packet on OSRAP's website at <http://www.doa.louisiana.gov/OSRAP/afrpackets.htm>.**

STATE OF LOUISIANA  
Annual Financial Statements  
Fiscal Year Ended June 30, 2015

**Natchitoches Levee & Drainage District**  
**P.O. Box 1036**  
**Natchitoches, Louisiana 71458**

Send to:  
Division of Administration  
Office of Statewide Reporting  
and Accounting Policy  
P. O. Box 94095  
Baton Rouge, Louisiana 70804-9095

Send electronically to the  
Louisiana Legislative Auditor:

**LLAFileroom@lla.la.gov**


Physical Address:  
1201 N. Third Street  
Claiborne Building, 6<sup>th</sup> Floor, Suite 6-130  
Baton Rouge, Louisiana 70802

Address: (if unable to send electronically)  
P.O. Box 94397  
Baton Rouge, Louisiana 70804-9397

**AFFIDAVIT**

Personally came and appeared before the undersigned authority, Karlton Methvin, President of the Natchitoches Levee & Drainage District, who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of the Natchitoches Levee & Drainage District at June 30, 2015 and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before me, this 28<sup>th</sup> day of August, 2015.

  
\_\_\_\_\_  
Signature of Agency Official

  
\_\_\_\_\_  
NOTARY PUBLIC  
15066

Prepared by: Robert J. Furman, CPA

Title: Partner, Griffin & Furman, LLC

Telephone No.: 985-727-9924

Date: August 28, 2015

Email Address: rfurman@griffinandco.com

**STATE OF LOUISIANA  
NATCHITOCHE LEVEE & DRAINAGE DISTRICT  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2015**

**Statement A**

**ASSETS**

**CURRENT ASSETS**

Cash and Cash equivalents	\$	1,965,098
Restricted Cash and Cash Equivalents		
Investments		
Derivative Instruments		
Receivables (net of allowance for doubtful accounts)(Note U)		
Due from other funds (Note Y)		
Due from federal government		
Inventories		
Prepayments		
Notes Receivable		
Other Current Assets		12,665
Total current assets		1,977,763

**NONCURRENT ASSETS**

Restricted assets (Note F):		
Cash		
Investments		
Receivables		
Investments		
Notes Receivable		
Capital assets, net of depreciation (Note D)		
Land non-depreciable easements		
Buildings and improvements		1,017,645
Machinery and equipment		105,932
Infrastructure		
Intangible assets		
Construction/Development-in-progress		
Other noncurrent assets		
Total noncurrent assets		1,123,577
Total assets	\$	3,101,340

**DEFERRED OUTFLOWS OF RESOURCES**

Accumulated decrease in fair value of hedging derivatives	\$	
Deferred amounts on debt refunding		
Adjustments of capital lease obligations		
Grants paid prior to meeting time requirements		
Intra-entity transfer of future revenues (transferee)		
Losses from sale-leaseback transactions		
Direct loan origination costs for mortgage loans held for sale		
Fees paid to permanent investors prior to sale of mortgage loans		
Deferred outflows related to pensions		48,846
Total deferred outflow of resources	\$	48,846
Total assets and deferred outflow of resources	\$	3,150,186

**LIABILITIES**

**CURRENT LIABILITIES:**

Accounts payable and accruals (Note V)	\$	48,924
Derivative instrument		
Due to other funds (Note Y)		
Due to federal government		
Unearned revenues		
Amounts held in custody for others		
Other current liabilities		



**STATE OF LOUISIANA  
NATCHITOCHE LEVEE & DRAINAGE DISTRICT  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2015**

**Statement A**

Current portion of long-term liabilities: (Note K)	
Contracts pay able	\$ _____
Compensated absences pay able	_____
Capital lease obligations	_____
Claims and litigation pay able	_____
Notes payable	_____
Pollution remediation obligation	_____
Bonds pay able (include unamortized costs)	_____
Other long-term liabilities	_____
Total current liabilities	48,924
<b>NONCURRENT LIABILITIES</b>	
Contracts pay able	_____
Compensated absences pay able	14,909
Capital lease obligations	_____
Claims and litigation pay able	_____
Notes payable	_____
Pollution remediation obligation	_____
Bonds pay able (include unamortized costs)	_____
<b>Net pension liability</b>	234,483
OPEB pay able	183,423
Other long-term liabilities	_____
Total noncurrent liabilities	432,815
Total liabilities	481,739
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Accumulated increase in fair value of hedging derivatives	\$ _____
Deferred amounts related to service concession arrangement	_____
Deferred amounts of debt refunding	_____
Adjustments of capital lease obligations	_____
Grants received prior to meeting time requirements	_____
Property taxes received before the period of which the taxes were levied	_____
Fines and penalties received in advance of meeting time requirements	_____
Sales/intra-entity transfers of future revenues (transferor)	_____
Gains from sale-leaseback transactions	_____
Points received on loan origination	_____
Loan origination fees received for mortgage loans held for sale	_____
<b>Deferred inflows related to pensions</b>	33,957
Total deferred inflows of resources	33,957
<b>NET POSITION</b>	
Net investment in capital assets	1,123,577
Restricted for:	
Capital projects	_____
Debt service	_____
Unemployment compensation	_____
Other specific purposes	_____
Unrestricted	1,510,913
Total net position	2,634,490
Total liabilities, deferred inflows of resources, and net position	\$ 3,150,186

The accompanying notes are an integral part of this financial statement.

**STATE OF LOUISIANA**  
**NATCHITOCHES LEVEE & DRAINAGE DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**Statement B**

<b>OPERATING REVENUE</b>	
Sales of commodities and services	\$ _____
Assessments	_____
Use of money and property	_____
Licenses, permits, and fees	_____
Federal grants and contracts	_____
State, local and nongovernmental grants and contracts	_____
Other	_____
Total operating revenues	_____ -
<b>OPERATING EXPENSES</b>	
Cost of sales and services	_____ 265,892
Administrative	_____ 310,312
Depreciation	_____ 46,238
Amortization	_____
Total operating expenses	_____ 622,442
Operating income(loss)	_____ (622,442)
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
State appropriations	_____ 47,953
Intergovernmental revenues(expenses)	_____
Taxes	_____ 821,023
Use of money and property	_____ 7,238
Gain on disposal of fixed assets	_____
Loss on disposal of fixed assets	_____
Federal grants	_____
Interest expense	_____
Other revenue	_____ 4,912
Other expense	_____
Total non-operating revenues(expenses)	_____ 881,126
Income(loss) before contributions, extraordinary items, & transfers	_____ 258,684
Capital contributions	_____
Extraordinary item	_____
Transfers in	_____
Transfers out	_____
Change in net position	_____ 258,684
Total net position – beginning	_____ 2,375,806
Total net position – ending	\$ _____ 2,634,490

The accompanying notes are an integral part of this financial statement.

**STATE OF LOUISIANA  
NATCHITOCHES LEVEE & DRAINAGE DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015**

**Statement C**

		Program Revenues		
		Operating	Capital	Net (Expense)
	Expenses	Charges for	Grants and	Revenue and
		Services	Grants and	Changes in
		Contributions	Contributions	Net Position
Entity	\$ 622,442	\$	\$	\$ (622,442)
General revenues:				
Taxes				821,023
State appropriations				47,953
Grants and contributions not restricted to specific programs				
Interest				7,238
Miscellaneous				4,912
Special items				
Extraordinary item				
Transfers				
Total general revenues, special items, and transfers				881,126
Change in net assets				258,684
Net position - beginning as restated				2,375,806
Net position - ending				\$ 2,634,490

The accompanying notes are an integral part of this statement.

**STATE OF LOUISIANA  
NATCHITOCHES LEVEE & DRAINAGE DISTRICT  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2015**

**Statement D  
(continued)**

<b>Cash flows from operating activities</b>	
Cash receipts from customers	\$ _____
Cash receipts from grants and contracts	_____
Cash receipts from interfund services provided	_____
Other operating cash receipts, if any	_____
Cash payments to suppliers for goods or services	(343,002)
Cash payments to employees for services	(260,309)
Cash payments for interfund services used, including payments "In Lieu of Taxes"	_____
Other operating cash payments, if any (* provide explanation)	_____
Net cash provided(used) by operating activities	<u>(603,311)</u>
<b>Cash flows from non-capital financing activities</b>	
State Appropriations	47,953
Federal receipts	_____
Federal disbursements	_____
Proceeds from sale of bonds	_____
Principal paid on bonds	_____
Interest paid on bond maturities	_____
Proceeds from issuance of notes payable	_____
Principal paid on notes payable	(29,692)
Interest paid on notes payable	(1,302)
Operating grants received	_____
Transfers in	_____
Transfers out	_____
Other (**provide explanation)	825,935
Net cash provided(used) by non-capital financing activities	<u>842,894</u>
<b>Cash flows from capital and related financing activities</b>	
Proceeds from sale of bonds	_____
Principal paid on bonds	_____
Interest paid on bond maturities	_____
Proceeds from issuance of notes payable	_____
Principal paid on notes payable	_____
Interest paid on notes payable	_____
Acquisition/construction of capital assets	(50,381)
Proceeds from sale of capital assets	_____
Capital contributions	_____
Deposits with trustees	_____
Deferred proceeds from capital leases	_____
Net cash provided(used) by capital and related financing activities	<u>(50,381)</u>
<b>Cash flows from investing activities</b>	
Purchases of investment securities	_____
Proceeds from sale of investment securities	_____
Interest and dividends earned on investment securities	7,238
Net cash provided(used) by investing activities	<u>7,238</u>
Net increase(decrease) in cash and cash equivalents	<u>196,440</u>
Cash and cash equivalents at beginning of year	<u>1,767,356</u>
Cash and cash equivalents at end of year	<u>\$ 1,963,796</u>

**STATE OF LOUISIANA  
NATCHITOCHES LEVEE & DRAINAGE DISTRICT  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2015**

**Statement D  
(concluded)**

**Reconciliation of operating income(loss) to net cash provided(used) by operating activities:**

Operating income(loss)		\$ <u>(621,140)</u>
Adjustments to reconcile operating income(loss) to net cash provided(used) by operating activities:		
Depreciation/amortization	46,238	
Pension expense	18,221	
Provision for uncollectible accounts		
CY contributions made subsequent to measurement date	(18,481)	
Other		
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net		
(Increase)decrease in due from other funds		
(Increase)decrease in prepayments		
(Increase)decrease in inventories		
(Increase)decrease in other assets	(253)	
Increase(decrease) in accounts payable and accruals	(29,410)	
Increase(decrease) in compensated absences payable	2,282	
Increase(decrease) in due to other funds		
Increase(decrease) in deferred revenues		
<b>Increase(decrease) in pension liability</b>		
Increase(decrease) in OPEB payable	534	
Increase(decrease) in other liabilities		
Net cash provided(used) by operating activities		\$ <u><u>(602,009)</u></u>

**Schedule of noncash investing, capital, and financing activities:**

Borrowing under capital lease(s)	\$ _____
Contributions of fixed assets	_____
Purchases of equipment on account	_____
Asset trade-ins	_____
Other (specify)	_____
_____	_____
_____	_____
_____	_____
<b>Total noncash investing, capital, and financing activities:</b>	\$ <u><u>-</u></u>

The accompanying notes are an integral part of this statement.

**STATE OF LOUISIANA  
NATCHITOCHES LEVEE & DRAINAGE DISTRICT  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2015**

Please provide an explanation of what is included in "other." If there are multiple reasons, please list each out separately along with the amount.

\* Other (operating cash payments)

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\*\*Other (cash flows from non capital financing activities)

Ad valorem taxes - \$781,226

State revenue sharing - \$39,797

Miscellaneous - \$4,912

**STATE OF LOUISIANA**  
**NATCHITOCHES LEVEE & DRAINAGE DISTRICT**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2015**

**INTRODUCTION**

The Natchitoches Levee and Drainage District (the District) was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 38:291(H). The following is a brief description of the operations of Natchitoches Levee and Drainage District and includes the parish/parishes in which the Commission is located: the Levee District includes most of Natchitoches Parish. The Levee District primarily provides flood protection for those areas contained in the District. The Board of Commissioners administers the operations and responsibilities of the Levee District in accordance with the provisions of Louisiana statute. The eight members of the Board of Commissioners which governs the District are appointed by the governor of the State of Louisiana.

**A. NOT USED**

**B. NOT USED**

**C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS** (If all agency cash and investments are deposited in the State Treasury, disregard Note C.) See Appendices Packet - Appendix A at <http://www.doa.louisiana.gov/OSRAP/afrpackets.htm>, for information related to Note C.

**1. DEPOSITS WITH FINANCIAL INSTITUTIONS**

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the District may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the (BTA) may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks, and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the statement of cash flows and statement of net position presentation, all highly liquid investments (including negotiable CDs and restricted cash and cash equivalents) and deposits (including nonnegotiable CDs and restricted cash and cash equivalents) with a maturity of three months or less when purchased are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are required to be held in the name of the pledging fiscal agent

**STATE OF LOUISIANA**  
**NATCHITOCHES LEVEE & DRAINAGE DISTRICT**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2015**

bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

GASB Statement 40, which amended GASB Statement 3, eliminated the requirement to disclose all deposits by three categories of risk. GASB Statement 40 requires only the

disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging

financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

The deposits at June 30, 2015, consisted of the following:

	Cash	Nonnegotiable Certificates of Deposit	Other (Describe)	Total
Deposits per statement of net position (Reconciled bank balance)	\$ 1,965,098	\$	\$	\$ 1,965,098
Deposits in bank accounts per bank	\$ 1,991,042	\$	\$	\$ 1,991,042
Bank balances exposed to custodial credit risk:	\$	\$	\$	\$
a. Uninsured and uncollateralized				
b. Uninsured and collateralized with securities held by the pledging institution	1,991,042			1,991,042
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the entity's				

NOTE: The "Deposits in bank accounts per bank" will not necessarily equal the "Deposits per statement of net position" due to outstanding items.

The following is a breakdown by banking institution, program, and amount of the "Deposits in bank accounts per bank" balances shown above:

	<u>Banking Institution</u>	<u>Program</u>	<u>Amount</u>
1.	Midsouth Bank		\$ 1,991,042
2.			
3.			
4.			
Total			\$ 1,991,042



**STATE OF LOUISIANA**  
**NATCHITOCHES LEVEE & DRAINAGE DISTRICT**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2015**

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the statement of net position to amounts reported in this note, list below any cash in treasury and petty cash that are included on the statement of net position.

Cash in state treasury	\$	_____
Petty cash	\$	_____

2. INVESTMENTS (NOT APPLICABLE)
3. CREDIT RISK, INTEREST RATE RISK, CONCENTRATION OF CREDIT RISK, AND FOREIGN CURRENCY RISK DISCLOSURES (NOT APPLICABLE)

**D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS**

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the statement of net position of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Depreciation for financial reporting purposes is computed by the straight line method over the useful lives of the assets.

**STATE OF LOUISIANA**  
**NATCHITOCHES LEVEE & DRAINAGE DISTRICT**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2015**

Schedule of Capital Assets (includes capital leases)

<u>Agency</u>	Balance 6/30/2014	Prior Period Adjustments	Restated Balance 6/30/2014	Additions	* Reclassifi- cation of CIP	** Retirements	Balance 6/30/2015
Capital assets not depreciated:							
Land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-depreciable land improvements	-	-	-	-	-	-	-
Non-depreciable easements	-	-	-	-	-	-	-
Capitalized collections	-	-	-	-	-	-	-
Software - development in progress	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-
Total capital assets not depreciated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other capital assets:							
Depreciable land improvements	\$ 1,053,792	\$ -	\$ 1,053,792	\$ 50,381	\$ (46,238)	\$ -	\$ 1,057,935
** Accumulated depreciation	(59,344)	-	(59,344)	-	-	-	(59,344)
Total land improvements	994,448	-	994,448	50,381	(46,238)	-	998,591
Buildings	12,290	-	12,290	-	-	-	12,290
** Accumulated depreciation	(12,290)	-	(12,290)	-	-	-	(12,290)
Total buildings	-	-	-	-	-	-	-
Machinery & equipment	499,060	-	499,060	-	-	-	499,060
** Accumulated depreciation	(374,074)	-	(374,074)	-	-	-	(374,074)
Total machinery & equipment	124,986	-	124,986	-	-	-	124,986
Infrastructure	-	-	-	-	-	-	-
** Accumulated depreciation	-	-	-	-	-	-	-
Total infrastructure	-	-	-	-	-	-	-
Software (internally generated & purchased)	-	-	-	-	-	-	-
Other intangibles	-	-	-	-	-	-	-
** Accumulated amortization - software	-	-	-	-	-	-	-
** Accumulated amortization - other intangibles	-	-	-	-	-	-	-
Total intangibles	-	-	-	-	-	-	-
Total other capital assets	\$ 1,119,434	\$ -	\$ 1,119,434	\$ 50,381	\$ (46,238)	\$ -	\$ 1,123,577
Capital asset summary:							
Capital assets not depreciated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other capital assets, book value	1,565,142	-	1,565,142	50,381	(46,238)	-	1,569,285
Total cost of capital assets	1,565,142	-	1,565,142	50,381	(46,238)	-	1,569,285
Accumulated depreciation/amortization	(445,708)	-	(445,708)	-	-	-	(445,708)
Capital assets, net	\$ 1,119,434	\$ -	\$ 1,119,434	\$ 50,381	\$ (46,238)	\$ -	\$ 1,123,577

\* Should only be used for those completed projects coming out of construction-in-progress to capital assets.

\*\* Enter a negative number except for accumulated depreciation/amortization in the retirement column

**STATE OF LOUISIANA**  
**NATCHITOCHES LEVEE & DRAINAGE DISTRICT**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2015**

If other intangible assets were reported in the table above, list the types of intangible assets, their cost, and accumulated amortization for each type of intangible assets reported.

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**E. INVENTORIES (NOT APPLICABLE)**

**F. RESTRICTED ASSETS (NOT APPLICABLE)**

**G. NOT USED**

**H. NOT USED**

**I. OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

GASB Statement 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* addresses accounting and financial reporting for OPEB trust and agency funds of the employer. GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* establishes standards of accounting and financial reporting for OPEB expense/expenditures and related OPEB liabilities or OPEB assets, note disclosures, and required supplementary information (RSI) in the financial reports of governmental employers.

**Calculation of Net OPEB Obligation**

Complete the following table for only the net OPEB obligation (NOO) related to OPEB administered by the Office of Group Benefits. The ARC, NOO at the beginning of the year, interest, ARC adjustment, and Annual OPEB Expense have been computed for OGB participants (see OSRAP's website - <http://www.doa.louisiana.gov/OSRAP/afrpackets.htm>) and select "GASB 45 OPEB Valuation Report as of July 1, 2014, to be used for fiscal year ending June 30, 2015." Report note disclosures for other plans, not administrated by OGB, separately.

Annual OPEB expense and net OPEB Obligation	
Fiscal year ending	6/30/2015
1. * ARC	29,000
2. * Interest on NOO	7,300
3. * ARC adjustment	(6,990)
4. * Annual OPEB Expense (1. + 2. - 3.)	29,310
5. Contributions (employer pmts. to OGB for retirees' cost of 2014 insurance premiums)	(28,776)
6. Increase in Net OPEB Obligation (4. - 5.)	534
7. *NOO, beginning of year (see actuarial valuation report on OSRAP's website)	182,889
8. **NOO, end of year (6. + 7.)	183,423

\*This must be obtained from the OSRAP website on the spreadsheet "GASB 45 OPEB Valuation Report as of July 1, 2014, to be used for fiscal year ending June 30, 2015."

**STATE OF LOUISIANA**  
**NATCHITOCHES LEVEE & DRAINAGE DISTRICT**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2015**

\*\*This should be the same amount as that shown on the statement of net position for the year ended June 30, 2015 if your entity's only OPEB is administered by OGB.

For more information on calculating the net OPEB obligation, see the Appendices Packet, Appendix D, at <http://www.doa.louisiana.gov/OSRAP/afrpackets.htm>.

**Note:** If your only OPEB provider is OGB, your entity will have no OPEB note disclosures for OSRAP other than the OPEB calculation above; however, **if your healthcare plan is administered by a group other than OGB, your entity should include note disclosures required by GASB Statements 43 and 45.**

GASB Statement No. 43 and 45 note disclosures can be found on GASB's website at <http://www.gasb.org/jsp/GASB/Page/GASBSectionPage&cid=1176160042391>.

**J. LEASES**

**NOTE: Where five-year amounts are requested, list the total amount (sum) for the five-year period, not the annual amount for each of the five years.**

1. OPERATING LEASES

The total payments for operating leases during fiscal year 2015 amounted to \$1,184. **(Note: If lease payments extend past FY 2030, create additional columns and report these future minimum lease payments in five year increments.)** A schedule of payments for operating leases follows:

2. CAPITAL LEASES (NOT APPLICABLE)

Nature of lease	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021-2025</u>	<u>FY 2026-2030</u>
Office Space	\$ 14,214	\$ 14,214	\$ 13,029	\$ _____	\$ _____	\$ _____	\$ _____
Equipment	_____	_____	_____	_____	_____	_____	_____
Land	_____	_____	_____	_____	_____	_____	_____
Other	_____	_____	_____	_____	_____	_____	_____
Total	\$ 14,214	\$ 14,214	\$ 13,029	\$ -	\$ -	\$ -	\$ -

3. LESSOR DIRECT FINANCING LEASES (NOT APPLICABLE)

4. LESSOR – OPERATING LEASE (NOT APPLICABLE)

**K. LONG-TERM LIABILITIES**

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2015:

**STATE OF LOUISIANA  
NATCHITOCHES LEVEE & DRAINAGE DISTRICT  
Notes to the Financial Statement  
As of and for the year ended June 30, 2015**

	<u>Year ended June 30, 2015</u>			<u>Balance June 30, 2015</u>	<u>Amounts due within one year</u>
	<u>Balance June 30, 2014</u>	<u>Additions</u>	<u>Reductions</u>		
<b>Notes and bonds payable:</b>					
Notes payable	\$	\$	\$	\$ -	\$
Bonds payable				-	
Total notes and bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other liabilities:</b>					
Contracts payable				-	
Compensated absences payable	12,627	10,487	8,205	14,909	
Capital lease obligations	29,692		29,692	-	
Claims and litigation				-	
Pollution remediation obligation				-	
OPEB payable	182,889	29,310	28,776	183,423	
Net pension liability	<u>242,578</u>	<u>18,221</u>	<u>26,316</u>	<u>234,483</u>	
Total other liabilities	<u>467,786</u>	<u>58,018</u>	<u>92,989</u>	<u>432,815</u>	<u>-</u>

(Balances at June 30<sup>th</sup> should include current and non-current portion of L-T liabilities.)  
(Send OSRAP a copy of the amortization schedule for any new debt issued.) The totals must equal the statement of net position for each type of long-term liabilities.

**L. CONTINGENT LIABILITIES (NOT APPLICABLE)**

**M. RELATED PARTY TRANSACTIONS (NOT APPLICABLE)**

**N. ACCOUNTING CHANGES (NOT APPLICABLE)**

**O. IN-KIND CONTRIBUTIONS (NOT APPLICABLE)**

**P. DEFEASED ISSUES (NOT APPLICABLE)**

**Q. REVENUES – PLEDGED OR SOLD (GASB 48) (NOT APPLICABLE)**

**R. GOVERNMENT COMBINATIONS & DISPOSALS OF GOV' T OPERATIONS (NOT APPLICABLE)**

**S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS (NOT APPLICABLE)**

**T. SHORT-TERM DEBT (NOT APPLICABLE)**

**U. DISAGGREGATION OF RECEIVABLE BALANCES (NOT APPLICABLE)**

**V. DISAGGREGATION OF PAYABLE BALANCES**

Payables at June 30, 2015, were as follows:



**STATE OF LOUISIANA  
NATCHITOCHES LEVEE & DRAINAGE DISTRICT  
Notes to the Financial Statement  
As of and for the year ended June 30, 2015**

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
General	\$ 42,334	\$ 6,590	\$	\$	\$ 48,924
					-
Total payables	\$ 42,334	\$ 6,590	\$ -	\$ -	\$ 48,924

**W. SUBSEQUENT EVENTS (NOT APPLICABLE)**

**X. SEGMENT INFORMATION & REPORTING FUNDS OF A BLENDED COMPONENT UNIT (NOT APPLICABLE)**

**Y. DUE TO/DUE FROM AND TRANSFERS (NOT APPLICABLE)**

**Z. PENSION LIABILITY**

A. If you have employees who are participants in one of the pension systems listed below, you must record your pension liability on your financial statements. The Plans are the Louisiana State Employees Retirement System (LASERS), Teachers Retirement System of Louisiana (TRSL), Louisiana School Employees' Retirement System (LSERS), District Attorneys' Retirement System (DARS) and Registrars of Voters Employees' Retirement System (ROVERS). The amounts to make this journal entry have been computed for you and can be found on OSRAP's website at <http://www.doa.louisiana.gov/OSRAP/afrpackets.htm>. Select "Pension Amounts as of July 1, 2014, to be used for fiscal year ending June 30, 2015." Make the entry as follows:

	<u>Debit</u>	<u>Credit</u>
Beginning net position	XXX	
*Deferred outflows related to pensions	XXX	
Deferred inflows related to pensions		XXX
Pension expense	XXX	
Net pension liability		XXX

(Please use the amounts provided by OSRAP.)

In addition to the journal entry above, another journal entry should be made to comply with GASB Statement 71. The employer should recognize a deferred outflow of resources for its pension contributions made between the measurement date and the agency's fiscal year end (7/1/14 – 6/30/15 for agencies with a fiscal year end). Note: In other words, debit "deferred outflows related to pensions" and credit the account used to charge the employer's portion of the pension contributions made for FY 2015 (for agencies with a 6/30 year end). This figure is the total of the employer contributions reported in Part B of this note disclosure (for entities with a 6/30/15 year end).

STATE OF LOUISIANA  
NATCHITOCHES LEVEE & DRAINAGE DISTRICT  
Notes to the Financial Statement  
As of and for the year ended June 30, 2015

**\*Note:** Deferred outflows related to pensions on the SNP should equal the deferred outflow amount found on OSRAP's website plus the employer's portion of FY 2015 pension contributions.

**B.** Please complete the following for each listed Pension System in which you have employees covered by that system. Covered-Employee Payroll is defined as the total gross payroll of employees that are provided with pensions through the pension plan. It is a measure of the overall payroll of employees *participating in the pension systems* and includes pensionable as well as non-pensionable pay.

It does *not* include:

- Related benefits;
- Reimbursement of meals and travel;
- Pay of employees subject to Social Security tax; or
- Pay of employees that participate in the Optional Retirement Plan (ORP) of Teachers and LASERS.

It does include:

- Overtime;
- Fringe benefits (such as a car allowance or housing allowance added to the gross wages of an employee);
- Per diem paid to board members if the person participates in the pension system;
- Pay of DROP employees (since DROP employees are provided pensions);
- Pay of employees subject to Social Security tax prior to the employee becoming a State pension plan participant;
- Total annual pay of an employee who was covered by two different pension plans (the plan on which we are requesting information and another) in the same year;
- Payout of annual leave upon termination; and
- On-call pay.

When reporting the employer contributions, report the contributions made for the period on an accrual basis. For example, if you pay retirement contributions for June 2015 in July 2015 and a retirement contribution payment was made in July 2014 for FY 2014, then the payment made in July 2015 should be included and the payment made in July 2014 would be excluded in calculating the FY 2015 retirement contributions.

**LASERS:**

1 Employer Contributions to the Pension Plan between 7/1/14 – 6/30/15: \$28,449  
2 Covered-Employee Payroll between 7/1/14 – 6/30/15: \$76,889

**TRSL:**

1 Employer Contributions to the Pension Plan between 7/1/14– 6/30/15: \_\_\_\_\_  
2 Covered-Employee Payroll between 7/1/14 – 6/30/15: \_\_\_\_\_

**LSERS:**

**STATE OF LOUISIANA**  
**NATCHITOCHES LEVEE & DRAINAGE DISTRICT**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2015**

**1 Employer Contributions to the Pension Plan between 7/1/14 – 6/30/15:** \_\_\_\_\_  
**2 Covered-Employee Payroll between 7/1/14 – 6/30/15:** \_\_\_\_\_

**DARS:**

**1 Employer Contributions to the Pension Plan between 7/1/14 – 6/30/15:** \_\_\_\_\_  
**2 Covered-Employee Payroll between 7/1/14 – 6/30/15:** \_\_\_\_\_

**ROVERS:**

**1 Employer Contributions to the Pension Plan between 7/1/14 – 6/30/15:** \_\_\_\_\_  
**2 Covered-Employee Payroll between 7/1/14 – 6/30/15:** \_\_\_\_\_

**AA. PRIOR-YEAR RESTATEMENT OF NET POSITION**

The following adjustments were made to restate beginning net position for June 30, 20\_\_.

Ending net position 6/30/14 as reported to OSRAP on PY AFR	*Adjustments to ending net position 6/30/14 (after AFR was submitted to OSRAP) + or (-)	Restatements (Adjustments to beg. balance 7/1/14) + or (-)	Beg net position @ 7/1/14 as restated
\$ 2,595,660	\$ (219,854)		\$ 2,375,806
			-
			-
			-
			-

\*Include all audit adjustments accepted by the agency or entity.

**Explanation of prior period adjustment:** The above prior period adjustment is the result of the GASB 68 adjustment to record the June 30, 2014 net pension liability balance of \$242,578 and deferred outflows related to pensions of \$22,724.

**BB. ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB 46) (NOT APPLICABLE)**

**CC. IMPAIRMENT OF CAPITAL ASSETS & INSURANCE RECOVERIES (NOT APPLICABLE)**

**DD. EMPLOYEE TERMINATION BENEFITS (NOT APPLICABLE)**

**EE. POLLUTION REMEDIATION OBLIGATIONS (NOT APPLICABLE)**

**FF. NOT USED**

**GG. RESTRICTED ASSETS – OTHER SPECIFIC PURPOSES (NOT APPLICABLE)**

**HH. SERVICE CONCESSION ARRANGEMENTS (NOT APPLICABLE)**



**STATE OF LOUISIANA  
NATCHITOCHES LEVEE & DRAINAGE DISTRICT  
Notes to the Financial Statement  
As of and for the year ended June 30, 2015**

**II. NONEXCHANGE FINANCIAL GUARANTEES (GASB 70) (NOT APPLICABLE)**

**STATE OF LOUISIANA  
NATCHITOCHEs LEVEE & DRAINAGE DISTRICT  
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS  
JUNE 30, 2015  
(Fiscal close)**

Name	Amount
<u>Adolph Sklar, Jr.</u>	\$ <u>225</u>
<u>Billy Giddens</u>	<u>750</u>
<u>Charles Brazzel, Jr.</u>	<u>675</u>
<u>Doris Roge</u>	<u>825</u>
<u>Janet Jones</u>	<u>900</u>
<u>Karlton Methvin, President</u>	<u>12,000</u>
<u>Mark Swafford</u>	<u>750</u>
<u>Ronald Corkern</u>	<u>900</u>
<u>Rayburn Smith</u>	<u>825</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
Total	\$ <u><u>17,850</u></u>

Note: The per diem payments are authorized by Louisiana Revised Statute, and are presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Legislature.

SCHEDULE 1

**STATE OF LOUISIANA  
NATCHITOCHEs LEVEE & DRAINAGE DISTRICT  
SCHEDULE OF NOTES PAYABLE  
JUNE 30, 2015  
(Fiscal close)**

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Total		\$ <u>      </u>	\$ <u>      </u>	\$ <u>      </u>	\$ <u>      </u>		\$ <u>      </u>

\*Send copies of new amortization schedules

SCHEDULE 3-A

**STATE OF LOUISIANA  
NATCHITOCHES LEVEE & DRAINAGE DISTRICT  
SCHEDULE OF BONDS PAYABLE  
JUNE 30, 2015  
(Fiscal close)**

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
<b>Series:</b>							
_____	_____	\$_____	\$_____	\$_____	\$_____	_____	\$_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
<b>Unamortized Discounts and Premiums Series:</b>							
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Total		\$=====	\$=====	\$=====	\$=====		\$=====

**\*Note: Principal outstanding (bond series minus unamortized costs) at 6/30/15 should agree to bonds payable on the statement of net position.**

**Send copies of new amortization schedules for bonds and unamortized costs.**

SCHEDULE 3-B

**STATE OF LOUISIANA  
NATCHITOCHES LEVEE & DRAINAGE DISTRICT  
SCHEDULE OF CAPITAL LEASE AMORTIZATION  
For The Year Ended June 30, 2015**

Fiscal Year <u>Ending:</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
2016	\$ <u>          </u>	\$ <u>          </u>	\$ <u>          </u>	\$ <u>          </u> --
2017	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u> --
2018	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u> --
2019	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u> --
2020	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u> --
2021-2025	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u> --
2026-2030	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u> --
2031-2035	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u> --
2036-2040	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u> --
Total	\$ <u>          </u> --	\$ <u>          </u> --	\$ <u>          </u> --	\$ <u>          </u> --

**STATE OF LOUISIANA  
NATCHITOCHEs LEVEE & DRAINAGE DISTRICT  
SCHEDULE OF NOTES PAYABLE AMORTIZATION  
For the Year Ended June 30, 2015**

<u>Fiscal Year Ending:</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ _____	\$ _____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021-2025	_____	_____
2026-2030	_____	_____
2031-2035	_____	_____
2036-2040	_____	_____
Total	\$ _____ --	\$ _____ --

SCHEDULE 4-B

**STATE OF LOUISIANA  
NATCHITOCHES LEVEE & DRAINAGE DISTRICT  
SCHEDULE OF BONDS PAYABLE AMORTIZATION  
For The Year Ended June 30, 2015**

<u>Fiscal Year</u> <u>Ending:</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ _____	\$ _____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
2029	_____	_____
2030	_____	_____
2031	_____	_____
2032	_____	_____
2033	_____	_____
2034	_____	_____
2035	_____	_____
2036	_____	_____
2037	_____	_____
2038	_____	_____
2039	_____	_____
2040	_____	_____
Subtotal	_____ --	_____ --
Unamortized Discounts/Premiums	_____	_____
Total	\$ _____ ==	\$ _____ ==

**\*Note: Principal outstanding (bond series plus minus unamortized costs) at 6/30/15 should agree to bonds payable on the statement of net position.**

SCHEDULE 4-C

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than **\$5 million**, explain the reason for the change. **Please provide adequate details to clearly explain the change from last year.**

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See Appendix F for instructions

AGENCY NAME NATCHITOCHEs LEVEE & DRAINAGE DISTRICT

Email completed form to [katherine.porche@la.gov](mailto:katherine.porche@la.gov)

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING  
STANDARDS**

**Independent Auditors' Report**

**Board of Commissioners  
Natchitoches Levee and Drainage District  
Natchitoches, Louisiana**

We have audited the basic financial statements of the Natchitoches Levee and Drainage District, a component unit of the State of Louisiana, as of and for the year ended June 30, 2015, and have issued our report dated August 28, 2015. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audit contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Natchitoches Levee and Drainage District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weakness and, therefore, there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies internal control over financial reporting that we consider to be material weaknesses, as defined above.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in the District's internal control to be a significant deficiency:

As is common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting entries and to prepare the District's annual financial statements. This condition is intentional by management based upon the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. Under generally accepted auditing standards, this condition represents a significant deficiency in internal controls. Statement on Auditing Standards (SAS) 115 requires that we report the above condition as a control deficiency. The SAS does not provide exceptions to reporting deficiencies that are adequately mitigated with nonaudit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Natchitoches Levee and Drainage District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed the following instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

During the current period, the District made travel advances to two board members but failed to require original itemized receipts for all advanced funds disbursed as required by the State's travel policy.

This report is intended solely for the information and use of the Natchitoches Levee and Drainage District, management and the Louisiana State Legislative Auditor and is not intended to be, and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Griffin & Furman, LLC*

August 28, 2015

**STATE OF LOUISIANA**  
**NATCHITOCHEs LEVEE AND DRAINAGE DISTRICT**  
**Schedule of Findings and Management Corrective Action Plan**  
**For the Year Ended June 30, 2015**

**Summary of Audit Results:**

1. Type of Report Issued – Unqualified
2. Internal Control Over Financial Reporting
  - a. Significant Deficiencies – Yes (2015-1)
  - b. Material Weaknesses – No
3. Compliance and Other Matters – Yes (2015-2)
4. Management Letter - No

**Finding 2015-1:**

***Criteria:***

Management is responsible for developing internal controls related to the preparation of financial statements as well as preparing financial statements in accordance with accounting principles generally accepted in the United States of America.

***Condition & Cause:***

As is common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting entries and to prepare the District's annual financial statements. This condition is intentional by management based upon the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. Under generally accepted auditing standards, this condition represents a significant deficiency in internal controls. Recently issued Statement on Auditing Standards (SAS) 115 requires that we report the above condition as a control deficiency. The SAS does not provide exceptions to reporting deficiencies that are adequately mitigated with nonaudit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

***Recommendation:***

As mentioned above, whether or not it would be cost effective to cure a control deficiency is not a factor in applying SAS 115's reporting requirements. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies an auditor reports under SAS 115. In this case we do not believe that curing the significant deficiency described above would be cost effective or practical and accordingly do not believe any corrective action is necessary.

***Management Corrective Action Plan:***

In response to the finding, management feels that it is a prudent use of funds to engage the auditor to prepare the District's annual financial reports. We therefore agree with the auditors' recommendation that no correction action is necessary.

**Finding 2015-2:**

***Criteria:***

Management is responsible for complying with the State's travel policy. Specifically, when travel advances are made, the District is required to obtain original itemized receipts for all advanced amounts spent by the representative of the District.

***Condition & Cause:***

During the current period, the District made travel advances to two board members but failed to require expense reports or original itemized receipts for all advanced funds disbursed as required by the State's travel policy.

***Recommendation:***

Per discussion with management, the District was unaware of the requirement that original itemized receipts are required for all amounts advanced for travel. While the District did obtain original itemized receipts for the lodging involved, they assumed that a per diem amount could be used for meals. We recommend the District either comply with the travel advance requirements of the State's travel policy or reimburse travel expenses after they occur if they prefer to utilize per diem amounts for meal reimbursements.

***Management Corrective Action Plan:***

The District plans to reimburse travel expenses after they occur in accordance with the State Travel Policy.

STATE OF LOUISIANA  
NATCHITOCHES LEVEE AND DRAINAGE DISTRICT

Status of Prior Audit Findings

For the Year Ended June 30, 2015

The prior audit findings for the Natchitoches Levee and Drainage District are as followings:

**Finding 2014-1:**

***Criteria:***

Management is responsible for developing internal controls related to the preparation of financial statements as well as preparing financial statements in accordance with accounting principles generally accepted in the United States of America.

***Condition & Cause:***

As is common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting entries and to prepare the District's annual financial statements. This condition is intentional by management based upon the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. Under generally accepted auditing standards, this condition represents a significant deficiency in internal controls. Recently issued Statement on Auditing Standards (SAS) 115 requires that we report the above condition as a control deficiency. The SAS does not provide exceptions to reporting deficiencies that are adequately mitigated with nonaudit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

***Recommendation:***

As mentioned above, whether or not it would be cost effective to cure a control deficiency is not a factor in applying SAS 115's reporting requirements. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies an auditor reports under SAS 115. In this case we do not believe that curing the significant deficiency described above would be cost effective or practical and accordingly do not believe any corrective action is necessary.

***Management Corrective Action Plan:***

In response to the finding, management feels that it is a prudent use of funds to engage the auditor to prepare the District's annual financial reports. We therefore agree with the auditors' recommendation that no correction action is necessary.

***Status:***

There is no change in the status of this comment.